

KWELM

BY E-MAIL & COURIER

KWELM

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Robert S. Sanoff
Foley Hoag LLP
Seaport World Trade Center West
155 Seaport Boulevard
Boston
Massachusetts 02210
USA

Howard T. Weir
Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue
Washington DC 20004
USA

21 February 2005

Dear Sirs,

KWELM Scheme of Arrangement
Cornell-Dubilier Electronics Inc, Principal No: 110520
Federal Pacific Electric Company, Principal No: 104671

We write in relation to your Notified Scheme Claim in the KWELM Scheme of Arrangement. We write to confirm the agreed values of your Notified Scheme Claim, as set out below, which supersedes the letter of 16 December 2004.

| | Undiscounted \$ | Discounted \$ |
|-------------|-----------------|---------------|
| Kingscroft | 193,255.42 | 141,254.25 |
| Walbrook | 476,959.38 | 348,619.15 |
| El Paso | 90,090.34 | 65,848.83 |
| Lime Street | 0.00 | 0.00 |
| Mutual Re | 231,942.32 | 169,531.28 |
| KWELM | 992,247.46 | 725,253.51 |

Please also find attached the Net Statements which have been issued in relation to your Notified Scheme Claim. The Net Statements (which have been issued pursuant to the terms of Clause 9.4.37 of the Scheme) set out your overall Established Scheme Liability for each of the KWELM Companies in respect of which you will be entitled to Scheme Payments pursuant to the terms of the Scheme.

As per your request, the statements have been issued to the single entry designated to receive Scheme Payments.

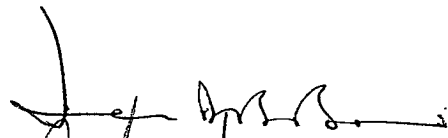
Kingscroft Insurance Company Ltd (number 1277975), Walbrook Insurance Company Ltd (number 1044810), El Paso Insurance Company Ltd (number 1324414) and Lime Street Insurance Company Ltd (number 1449248) are registered in England and Wales. Mutual Reinsurance Company Ltd is registered in Bermuda (number 03071) and in England and Wales as an overseas company (number F7776).

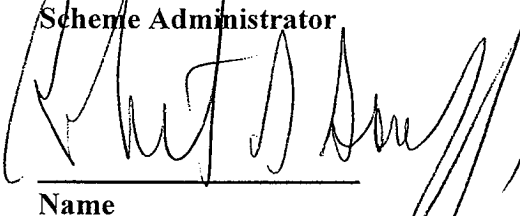
CJ Hughes and IDB Bond have been appointed Scheme Administrators of Kingscroft Insurance Co Ltd, Walbrook Insurance Co Ltd, El Paso Insurance Co Ltd Lime Street Insurance Co Ltd and Mutual Reinsurance Co Ltd.

In the unlikely event that you have concerns that this letter does not reflect the true terms of the agreement reached between us please contact Paul Corver of KMS on +44 20 7645 4700 as soon as possible to discuss an appropriate means of resolution. If you detect any arithmetical or other manifest error on the face of the Net Statements, we must receive, within thirty days of your deemed receipt of these Net Statements, your formal objection to the Net Statements setting out in full the grounds for such objection. Your formal notice must be in accordance with Clause 9.4.39 of the Scheme.

Alternatively, if you should wish to hasten the formal establishment of your Established Scheme Liability within the relevant KWELM Schemes, please countersign and return this letter to the Scheme Administrator, either by post or by fax using the details set out at the head of this letter, confirming your agreement to its terms and the terms of the Net Statement.

Yours faithfully,


Scheme Administrator


Name
on behalf of Cornell-Dubilier Electronics Inc / Federal Pacific Electric Company
in agreement to the terms set out in this letter and the attached Net Statements

as attorney for CDE,

KINGSCROFT INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.

PRINCIPAL NO: 110520 CURRENCY: USD

Position as at: 21 February 2005

| | |
|--|-------------|
| Business Underwritten by Kingscroft | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 193,255.42 |
| 4. Discount applied | (52,001.17) |
| 5. Estimated discounted liabilities [3 + (4)] | 141,254.25 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by Kingscroft [1 + 2 + 5 + (6) + (7)] | 141,254.25 |
| Business Ceded by Kingscroft | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by Kingscroft [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 141,254.25 |

WALBROOK INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.

PRINCIPAL NO: 110520

CURRENCY: USD

Position as at: 21 February 2005

| | |
|--|--------------|
| Business Underwritten by Walbrook | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 476,959.38 |
| 4. Discount applied | (128,340.23) |
| 5. Estimated discounted liabilities [3 + (4)] | 348,619.15 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by Walbrook [1 + 2 + 5 + (6) + (7)] | 348,619.15 |
| Business Ceded by Walbrook | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by Walbrook [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 348,619.15 |

EL PASO INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.

PRINCIPAL NO: 110520

CURRENCY: USD

Position as at: 21 February 2005

| | |
|---|-------------|
| Business Underwritten by El Paso | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 90,090.34 |
| 4. Discount applied | (24,241.51) |
| 5. Estimated discounted liabilities [3 + (4)] | 65,848.83 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by El Paso [1 + 2 + 5 + (6) + (7)] | 65,848.83 |
| Business Ceded by El Paso | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by El Paso [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 65,848.83 |

LIME STREET INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.

PRINCIPAL NO: 110520

CURRENCY: USD

Position as at: 21 February 2005

| | |
|---|--------|
| Business Underwritten by Lime Street | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 0.00 |
| 4. Discount applied | (0.00) |
| 5. Estimated discounted liabilities [3 + (4)] | 0.00 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by Lime Street [1 + 2 + 5 + (6) + (7)] | 0.00 |
| Business Ceded by Lime Street | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by Lime Street [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 0.00 |

MUTUAL RE INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.
PRINCIPAL NO: 110520 CURRENCY: USD
Position as at: 21 February 2005

| | |
|---|-------------|
| Business Underwritten by Mutual Re | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 231,942.32 |
| 4. Discount applied | (62,411.04) |
| 5. Estimated discounted liabilities [3 + (4)] | 169,531.28 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by Mutual Re [1 + 2 + 5 + (6) + (7)] | 169,531.28 |
| Business Ceded by Mutual Re | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by Mutual Re [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 169,531.28 |

THE BERMUDA FIRE & MARINE INSURANCE COMPANY LIMITED
(In Liquidation)

c/o KWELM Management Services Limited, John Stow House, 18 Bevis Marks, London EC3A 7JB, United Kingdom
Telephone: 44-(0)20-7645-4700 Direct Line: 44-(0)20-7645-4881 Facsimile: 44-(0)20-7645-4879

BY E-MAIL & COURIER

Robert S. Sanoff
Foley Hoag LLP
Seaport World Trade Center West
155 Seaport Boulevard
Boston
Massachusetts 02210
USA

Howard T. Weir
Morgan Lewis & Bockius LLP
1111 Pennsylvania Avenue
Washington DC 20004
USA

21 February 2005

Dear Sirs,

BFMIC Scheme of Arrangement
Cornell-Dubilier Electronics Inc, Principal No: 110520
Federal Pacific Electric Company, Principal No: 104671

We write in relation to your Notified Scheme Claim in the BFMIC Scheme of Arrangement. We write to confirm the agreed values of your Notified Scheme Claim, as set out below, which supersedes the letter of 16 December 2004.

| | Undiscounted | Discounted |
|-------|--------------|--------------|
| BFMIC | \$602,927.93 | \$440,692.08 |

Please also find attached the Net Statement which has been issued in relation to your Notified Scheme Claim. The Net Statement (which has been issued pursuant to the terms of Clause 8.4.37 of the Scheme) sets out your overall Established Scheme Liability in respect of which you will be entitled to Scheme Payments pursuant to the terms of the Scheme.

In the unlikely event that you have concerns that this letter does not reflect the true terms of the agreement reached between us please contact Paul Corver of KMS on +44 20 7645 4700 as soon as possible to discuss an appropriate means of resolution. If you detect any arithmetical or other manifest error on the face of the Net Statement, we must receive, within thirty days of your deemed receipt of the Net Statement, your formal objection to the Net Statement setting out in full the grounds for such objection. Your formal notice must be in accordance with Clause 8.4.39 of the Scheme.

As per your request, the statements have been issued to the single entry designated to receive Scheme Payments.

Joint Liquidators:- Gareth H. Hughes, L. Anthony Joaquin, and John C. McKenna

Ernst & Young, Reid Hall, 3 Reid Street
Hamilton HM 11, Bermuda

Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane,
London EC4A 1NH, United Kingdom

THE BERMUDA FIRE & MARINE INSURANCE COMPANY LIMITED
(In Liquidation)

Alternatively, if you should wish to hasten the formal establishment of your Established Scheme Liability within the BFMIC Scheme, please countersign and return this letter to the Liquidator, either by post or by fax using the details set out at the head of this letter, confirming your agreement to its terms and the terms of the Net Statement.

Yours faithfully,


Mark Adams

For and on behalf of the Joint Liquidators


Name

as attorney for (DE),
on behalf of Cornell-Dubiller Electronics Inc / Federal Pacific Electric Company
in agreement to the terms set out in this letter and the attached Net Statement

Page 2

Joint Liquidators:- Gareth H. Hughes, L. Anthony Joaquin, and John C. McKenna

Ernst & Young, Reid Hall, 3 Reid Street
Hamilton HM 11, Bermuda

Ernst & Young, Becket House, 1 Lambeth Palace Road
London SE1 7EU, United Kingdom

BERMUDA FIRE & MARINE INSURANCE COMPANY LIMITED

Net Statement

PRINCIPAL: Cornell-Dubilier Electronics, Inc.

PRINCIPAL NO: 110520

CURRENCY: USD

Position as at: 21 February 2005

| | |
|---|--------------|
| Business Underwritten by BFMIC | |
| 1. Established Scheme liabilities | 0.00 |
| 2. Agreed liabilities | 0.00 |
| Notified Scheme Claim | |
| 3. Estimated undiscounted liabilities | 602,927.93 |
| 4. Discount applied | (162,235.85) |
| 5. Estimated discounted liabilities [3 + (4)] | 440,692.08 |
| Deductions | |
| 6. LoC funds applied against Notified Scheme claim | (0.00) |
| 7. Other collateral | (0.00) |
| 8. Valuation of business underwritten by BFMIC [1 + 2 + 5 + (6) + (7)] | 440,692.08 |
| Business Ceded by BFMIC | |
| 9. Outwards unpaid losses | (0.00) |
| Outwards Reserves and IBNR | |
| 10. Estimated undiscounted outwards reserves and IBNR | (0.00) |
| 11. Discount applied | 0.00 |
| 12. Estimated discounted outwards reserves and IBNR [(10) + 11] | (0.00) |
| 13. Valuation of business ceded by BFMIC [(9) + (12)] | (0.00) |
| 14. Balance of Business Underwritten and Business Ceded [8 + (13)] | 440,692.08 |